

AMENDED IN SENATE SEPTEMBER 4, 2013

AMENDED IN SENATE AUGUST 20, 2013

AMENDED IN SENATE JULY 2, 2013

AMENDED IN SENATE JUNE 19, 2013

AMENDED IN SENATE JUNE 17, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 219**

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**Introduced by Assembly Member Perea**  
**(Coauthors: Assembly Members Olsen, Wieckowski, and Williams)**  
(Coauthor: Senator Wright)

February 4, 2013

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An act to add *and repeal* Section 1367.656~~to~~ of the Health and Safety Code, and to add *and repeal* Section 10123.206~~to~~ of the Insurance Code, relating to health care coverage.

### LEGISLATIVE COUNSEL'S DIGEST

AB 219, as amended, Perea. Health care coverage: cancer treatment.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for all generally medically accepted cancer screening tests and requires those contracts and policies to also provide coverage for the treatment of breast cancer. Existing law imposes various

requirements on contracts and policies that cover prescription drug benefits.

This bill would prohibit ~~a an individual or group~~ health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2015, that provides coverage for prescribed, orally administered anticancer medications ~~from requiring an enrollee or insured to pay a total cost-sharing amount of more than \$100 per filled prescription. The bill would provide that, with respect to a high deductible health plan, as defined, this provision applies only if the plan deductible has been satisfied.~~ *used to kill or slow the growth of cancerous cells from requiring an enrollee or insured to pay, notwithstanding any deductible, a total amount of copayments and coinsurance that exceeds \$200 for an individual prescription of up to a 30-day supply of a prescribed orally administered anticancer medication. The bill would provide that for a health care service plan contract or health insurance policy that meets a specified federal definition of a high deductible health plan, this prohibition shall only apply once the enrollee's or insured's deductible has been satisfied for the year. The bill would authorize a health care service plan or health insurer, on January 1, 2016, and on January 1 of each year thereafter, to increase the \$200 limit by the percentage increase in the Consumer Price Index for that year. The bill would repeal these provisions on January 1, 2019.*

Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. (a) *The Legislature finds and declares that the*
- 2     *majority of prescriptions for oral anticancer medications are filled*
- 3     *by cancer patients at reasonable cost due to effective health plan*

1 *or health insurance coverage of the product or the low retail price*  
2 *of the drug.*

3 *(b) It is the intent of the Legislature to help cancer patients who*  
4 *do not have access to the most appropriate treatment for their*  
5 *cancer because the terms of their health care service plan contract*  
6 *or health insurance policy do not make the covered treatment*  
7 *affordable.*

8 *(c) It is further the intent of the Legislature to set a maximum*  
9 *total copayment and coinsurance amount that health care service*  
10 *plans and health insurers can require patients to pay for a 30-day*  
11 *supply of oral anticancer medication. The Legislature does not*  
12 *intend health care service plans or health insurers to interpret that*  
13 *maximum to be a target or desirable patient cost.*

14 *SEC. 2. Section 1367.656 is added to the Health and Safety*  
15 *Code, to read:*

16 *1367.656. (a) Notwithstanding any other law, an individual*  
17 *or group health care service plan contract issued, amended, or*  
18 *renewed on or after January 1, 2015, that provides coverage for*  
19 *prescribed, orally administered anticancer medications used to*  
20 *kill or slow the growth of cancerous cells shall comply with all of*  
21 *the following:*

22 *(1) Notwithstanding any deductible, the total amount of*  
23 *copayments and coinsurance an enrollee is required to pay shall*  
24 *not exceed two hundred dollars (\$200) for an individual*  
25 *prescription of up to a 30-day supply of a prescribed orally*  
26 *administered anticancer medication covered by the contract.*

27 *(2) For a health care service plan contract that meets the*  
28 *definition of a “high deductible health plan” set forth in Section*  
29 *223(c)(2) of Title 26 of the United States Code, paragraph (1)*  
30 *shall only apply once an enrollee’s deductible has been satisfied*  
31 *for the year.*

32 *(3) Paragraph (1) shall not apply to any coverage under a health*  
33 *care service plan contract for the Medicare Program pursuant to*  
34 *Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395*  
35 *et seq.).*

36 *(4) On January 1, 2016, and on January 1 of each year*  
37 *thereafter, health care service plans may adjust the two hundred*  
38 *dollar (\$200) limit described in paragraph (1). The adjustment*  
39 *shall not exceed the percentage increase in the Consumer Price*  
40 *Index for that year.*

1     (5) A prescription for an orally administered anticancer  
2 medication shall be provided consistent with the appropriate  
3 standard of care for that medication.

4     (b) This section shall remain in effect only until January 1, 2019,  
5 and as of that date is repealed, unless a later enacted statute, that  
6 is enacted before January 1, 2019, deletes or extends that date.

7     SEC. 3. Section 10123.206 is added to the Insurance Code, to  
8 read:

9     10123.206. (a) Notwithstanding any other law, an individual  
10 or group health insurance policy issued, amended, or renewed on  
11 or after January 1, 2015, that provides coverage for prescribed,  
12 orally administered anticancer medications used to kill or slow  
13 the growth of cancerous cells shall comply with all of the following:

14     (1) Notwithstanding any deductible, the total amount of  
15 copayments and coinsurance an insured is required to pay shall  
16 not exceed two hundred dollars (\$200) for an individual  
17 prescription of up to a 30-day supply of a prescribed orally  
18 administered anticancer medication covered by the policy.

19     (2) For a health insurance policy that meets the definition of a  
20 “high deductible health plan” set forth in Section 223(c)(2) of  
21 Title 26 of the United States Code, paragraph (1) shall only apply  
22 once an insured’s deductible has been satisfied for the year.

23     (3) Paragraph (1) shall not apply to any coverage under a health  
24 insurance policy for the Medicare Program pursuant to Title XVIII  
25 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.).

26     (4) On January 1, 2016, and on January 1 of each year  
27 thereafter, health insurers may adjust the two hundred dollar  
28 (\$200) limit described in paragraph (1). The adjustment shall not  
29 exceed the percentage increase in the Consumer Price Index for  
30 that year.

31     (5) A prescription for an orally administered anticancer  
32 medication shall be provided consistent with the appropriate  
33 standard of care for that medication.

34     (b) This section shall remain in effect only until January 1, 2019,  
35 and as of that date is repealed, unless a later enacted statute, that  
36 is enacted before January 1, 2019, deletes or extends that date.

37     SEC. 4. No reimbursement is required by this act pursuant to  
38 Section 6 of Article XIII B of the California Constitution because  
39 the only costs that may be incurred by a local agency or school  
40 district will be incurred because this act creates a new crime or

1 *infraction, eliminates a crime or infraction, or changes the penalty*  
2 *for a crime or infraction, within the meaning of Section 17556 of*  
3 *the Government Code, or changes the definition of a crime within*  
4 *the meaning of Section 6 of Article XIII B of the California*  
5 *Constitution.*

6 ~~SECTION 1. Section 1367.656 is added to the Health and~~  
7 ~~Safety Code, to read:~~

8 ~~1367.656. (a) Notwithstanding any other law, a health care~~  
9 ~~service plan contract issued, amended, or renewed on or after~~  
10 ~~January 1, 2015, that provides coverage for prescribed, orally~~  
11 ~~administered anticancer medications shall not require an enrollee~~  
12 ~~to pay a total cost-sharing amount of more than one hundred dollars~~  
13 ~~(\$100) per filled prescription.~~

14 ~~(b) The cost-sharing limit in this section shall not apply to a~~  
15 ~~health care service plan contract if the plan is a high deductible~~  
16 ~~health plan, as defined in Section 223 of Title 26 of the United~~  
17 ~~States Code, and the plan deductible has not been satisfied.~~

18 ~~SEC. 2. Section 10123.206 is added to the Insurance Code, to~~  
19 ~~read:~~

20 ~~10123.206. (a) Notwithstanding any other law, a health~~  
21 ~~insurance policy issued, amended, or renewed on or after January~~  
22 ~~1, 2015, that provides coverage for prescribed, orally administered~~  
23 ~~anticancer medications shall not require an insured to pay a total~~  
24 ~~cost-sharing amount of more than one hundred dollars (\$100) per~~  
25 ~~filled prescription.~~

26 ~~(b) The cost-sharing limit in this section shall not apply to a~~  
27 ~~health insurance policy if the policy is a high deductible health~~  
28 ~~plan, as defined in Section 223 of Title 26 of the United States~~  
29 ~~Code, and the policy deductible has not been satisfied.~~

30 ~~SEC. 3. No reimbursement is required by this act pursuant to~~  
31 ~~Section 6 of Article XIII B of the California Constitution because~~  
32 ~~the only costs that may be incurred by a local agency or school~~  
33 ~~district will be incurred because this act creates a new crime or~~  
34 ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
35 ~~for a crime or infraction, within the meaning of Section 17556 of~~  
36 ~~the Government Code, or changes the definition of a crime within~~  
37 ~~the meaning of Section 6 of Article XIII B of the California~~  
38 ~~Constitution.~~